

XI. Community Reinvestment Act

Contents

Community Reinvestment Act	XI-1.1
Introduction	XI-1.1
Small Bank	XI-1.1
Examination Procedures for Small Institutions	XI-1.1
Examination Scope	XI-1.1
Performance Context	XI-1.2
Assessment Area	XI-1.2
Performance Criteria	XI-1.3
Loan-to-Deposit Analysis	XI-1.3
Comparison of Credit Extended Inside and Outside of the Assessment Area(s)	XI-1.3
Distribution of Credit Within the Assessment Area(s)	XI-1.3
Review of Complaints	XI-1.4
Investments and Services (at the institution's option to enhance a "Satisfactory" rating)	XI-1.4
Ratings	XI-1.4
Public File Checklist	XI-1.6
Public Notice	XI-1.6
CRA Ratings Matrix — Small Institutions	XI-1.7
Intermediate Small Bank	XI-2.1
Intermediate Small Institution Examination Procedures	XI-2.1
Examination Scope	XI-2.1
Performance Context	XI-2.2
Assessment Area	XI-2.2
Intermediate Small Institution Lending Test Performance Criteria	XI-2.3
Comparison of Credit Extended Inside and Outside of the Assessment Area(s)	XI-2.3
Distribution of Credit within the Assessment Area(s)	XI-2.3
CRA Ratings Matrix — Intermediate Small Institutions	XI-2.4
Review of Complaints	XI-2.5
Intermediate Small Institution Community Development Test	XI-2.5
Community Development Test Ratings Matrix— Intermediate Small Institutions	XI-2.5
Overall Intermediate Small Institution CRA Rating	XI-2.6
Public File Checklist	XI-2.7
Public Notice	XI-2.8
Large Bank	XI-3.1
Examination Procedures for Large Institutions	XI-3.1
Examination Scope	XI-3.1
Performance Context	XI-3.2
Assessment Area	XI-3.2
Lending, Investment, and Service Tests for Large Retail Institutions	XI-3.2
Lending Test	XI-3.2
Investment Test	XI-3.5
Service Test	XI-3.5
Retail Banking Services	XI-3.5
Community Development Services	XI-3.6

XI. Community Reinvestment Act – Table of Contents

Ratings	XI-3.6
Public File Checklist	XI-3.8
Public Notice	XI-3.9
Wholesale/Limited Purpose Institution	XI-4.1
Examination Procedures for Limited Purpose and Wholesale Institutions	XI-4.1
Examination Scope	XI-4.1
Performance Context	XI-4.1
Assessment Area	XI-4.2
Community Development Test	XI-4.2
Ratings	XI-4.3
Public File Checklist	XI-4.4
Public Notice	XI-4.4
Community Development Ratings Matrix — Wholesale/Limited Purpose Institutions	XI-4.5
Institutions with Strategic Plans	XI-5.1
Examination Procedures for Institutions with Strategic Plans	XI-5.1
Examination Scope	XI-5.1
Performance Context	XI-5.2
Performance Criteria	XI-5.2
Ratings	XI-5.2
Public File Checklist	XI-5.3
Public Notice	XI-5.4
CRA Ratings System	XI-6.1
Introduction	XI-6.1
Ratings Definitions	XI-6.1
Banks Evaluated under the Lending, Investment, and Service Tests	XI-6.1
Investment Performance Rating.	XI-6.2
Service Performance Rating.	XI-6.3
Wholesale or Limited-Purpose Banks	XI-6.4
Banks Evaluated under the Small Bank Performance Standards	XI-6.4
Lending Test Ratings.	XI-6.4
Community Development Test Ratings for Intermediate Small Banks.	XI-6.5
Overall Rating.	XI-6.5
Strategic Plan Assessments	XI-6.5
Lending Test Matrix	XI-6.6
Lending Test Matrix — cont.	XI-6.7
Service Test Matrix	XI-6.8
Investment Test Matrix	XI-6.9
CRA Sunshine – Disclosure and Reporting of CRA-Related Agreements	XI-7.1
Introduction	XI-7.1
Definitions	XI-7.1
Disclosure and Reporting of CRA — Related Agreements Examination Objective	XI-7.3
Examination Procedures	XI-7.3

Community Contacts	XI-8.1
Introduction	XI-8.1
Objectives	XI-8.1
General Guidelines	XI-8.1
Coverage and Frequency of Community Contacts	XI-8.1
Selection of Community Contacts	XI-8.1
Treatment of Confidential Information	XI-8.1
Confidentiality of Institution Records	XI-8.1
Protection of Community Contacts	XI-8.1
Compliance Report of Examination and CRA Performance Evaluation	XI-8.1
Reporting CRA data	XI-8.1
Sharing Information	XI-8.1
Information Sharing Process	XI-8.1
Preparation for the Interview	XI-8.1
Review of Information on Assessment Area(s)	XI-8.2
Review Process	XI-8.2
Identify Potential Community Contacts	XI-8.3
Number and Type of Contacts	XI-8.3
Organization Types	XI-8.3
Grassroots Community Groups	XI-8.3
Community-Based Development or Financial Intermediaries	XI-8.4
Government Offices	XI-8.4
Business and Labor Groups	XI-8.5
Civil Rights and Consumer Protection Groups	XI-8.5
Other Potential Contacts	XI-8.5
Conducting the Interview	XI-8.6
Background Information on Community Contact	XI-8.6
Obtain Background Information	XI-8.6
Obtaining a Community Profile	XI-8.7
Update the Community Profile	XI-8.7
Assessing Opportunities for Financial Institution Participation	XI-8.9
Assessing Opportunities for Participation	XI-8.9
Obtaining Local Perspectives on the Performance of Financial Institutions	XI-8.10
Obtain Feedback from the Community	XI-8.10
Use of the Community Contact Form	XI-8.11
Sampling Guidelines CRA	XI-9.1
Introduction	XI-9.1
General Sampling Guidelines	XI-9.1
Statistical Sampling at Small Institutions	XI-9.1
Sample Selection from Automated Download or Loan Trial	XI-9.1
Sample Selection from Automated Download	XI-9.2
Sample Selection from a Loan Trial	XI-9.2
Information to be Gathered for Each Loan Record	XI-9.4
Geocoding Loan Locations	XI-9.4
Calculating Proportion Estimates	XI-9.4

XI. Community Reinvestment Act – Table of Contents

Interagency Questions and Answers Regarding Community Reinvestment	XI-10.1
Interagency Questions and Answers Regarding Community Reinvestment	XI-10.2
§ __.12–Definitions	XI-10.2
§ __.12(a) Affiliate	XI-10.2
§ __.12(f) Branch	XI-10.2
§ __.12(g) Community development	XI-10.2
§ __.12(g)(1) Affordable housing (including multifamily rental housing) for low- or moderate-income individuals	XI-10.3
§ __.12(g)(3) Activities that promote economic development by financing businesses or farms that meet certain size eligibility standards	XI-10.4
§ __.12(g)(4) Activities that revitalize or stabilize certain geographies	XI-10.4
§ __.12(g)(4)(i) Activities that revitalize or stabilize low- or moderate-income geographies	XI-10.5
§ __.12(g)(4)(ii) Activities that revitalize or stabilize designated disaster areas	XI-10.5
§ __.12(g)(4)(iii) Activities that revitalize or stabilize distressed or underserved nonmetropolitan middle-income geographies	XI-10.5
§ __.12(h) Community development loan	XI-10.7
§ __.12(i) Community development service	XI-10.9
§ __.12(j) Consumer loan	XI-10.10
§ __.12(l) Home mortgage loan	XI-10.10
§ __.12(m) Income level	XI-10.11
§ __.12(n) Limited purpose institution	XI-10.11
§ __.12(t) Qualified investment	XI-10.12
§ __.12(u) Small institution	XI-10.13
§ __.12(u)(2) Small institution adjustment	XI-10.13
§ __.12(v) Small business loan	XI-10.13
§ __.12(x) Wholesale institution	XI-10.14
§ __.21–Performance tests, standards, and ratings, in general	XI-10.14
§ __.21(a) Performance tests and standards	XI-10.14
§ __.21(b) Performance context	XI-10.14
§ __.21(b)(2) Information maintained by the institution or obtained from community contacts	XI-10.14
§ __.21(b)(4) Institutional capacity and constraints	XI-10.15
§ __.21(b)(5) Institution’s past performance and the performance of similarly situated lenders	XI-10.15
§ __.22–Lending test	XI-10.15
§ __.22(a)(1) Types of loans considered	XI-10.15
§ __.22(a)(2) Loan originations and purchases/other loan data	XI-10.16
§ __.22(b) Performance criteria	XI-10.17
§ __.22(b)(2) & (3) Geographic distribution and borrower characteristics	XI-10.17
§ __.22(b)(4) Community development lending	XI-10.18
§ __.22(b)(5) Innovative or flexible lending practices	XI-10.19
§ __.22(c) Affiliate lending	XI-10.19
§ __.22(c)(2) Constraints on affiliate lending	XI-10.19
§ __.22(c)(2)(i) No affiliate may claim a loan origination or loan purchase if another institution claims the same loan origination or purchase	XI-10.19
§ __.22(c)(2)(ii) If an institution elects to have its supervisory agency consider loans within a particular lending category made by one or more of the institution’s affiliates in a particular assessment area, the institution shall elect to have the agency consider all loans within that lending category in that particular assessment area made by all of the institution’s affiliates	XI-10.20
§ __.22(d) Lending by a consortium or a third party	XI-10.20

XI. Community Reinvestment Act – Table of Contents

§ __.23–Investment test	XI-10.21
§ __.23(b) Exclusion	XI-10.21
§ __.23(e) Performance criteria	XI-10.22
§ __.24–Service test	XI-10.23
§ __.24(d) Performance criteria – retail banking services	XI-10.23
§ __.24(d)(3) Availability and effectiveness of alternative systems for delivering retail banking services	XI-10.23
§ __.24(e) Performance criteria – community development services	XI-10.23
§ __.25 Community development test for wholesale or limited purpose institutions	XI-10.24
§ __.25(d) Indirect activities	XI-10.24
§ __.25(e) Benefit to assessment area(s)	XI-10.24
§ __.25(f) Community development performance rating	XI-10.24
§ __.26–Small institution performance standards	XI-10.24
§ __.26(a) Performance criteria	XI-10.25
§ __.26(a)(2) Intermediate small institutions	XI-10.25
§ __.26(b) Lending test	XI-10.25
§ __.26(b)(1) Loan-to-deposit ratio	XI-10.25
§ __.26(b)(2) Percentage of lending within assessment area(s)	XI-10.26
§ __.26(b)(3) & (4) Distribution of lending within assessment area(s) by borrower income and geographic location	XI-10.26
§ __.26(c) Intermediate small institution community development test	XI-10.26
§ __.26(c)(3) Community development services	XI-10.27
§ __.26(c)(4) Responsiveness to community development needs	XI-10.27
§ __.26(d) Performance rating	XI-10.27
§ __.27–Strategic plan	XI-10.27
§ __.27(f) Plan content	XI-10.28
§ __.27(g) Plan approval	XI-10.28
§ __.28–Assigned ratings	XI-10.28
§ __.28(a) Ratings in general	XI-10.28
Points Assigned for Performance Under Lending, Investment and Service Tests	
Composite Rating Point Requirements	XI-10.29
§ __.28(b) Lending, investment, and service test ratings	XI-10.29
§ __.28(c) Effect of evidence of discriminatory or other illegal credit practices	XI-10.29
§ __.29–Effect of CRA performance on applications	XI-10.30
§ __.29(b) Interested parties	XI-10.30
§ __.41–Assessment area delineation	XI-10.30
§ __.41(c) Geographic area(s) for institutions other than wholesale or limited purpose institutions	XI-10.31
§ __.41(d) Adjustments to geographic area(s)	XI-10.31
§ __.41(e) Limitations on delineation of an assessment area	XI-10.31
§ __.41(e)(4) May not extend substantially beyond an MSA boundary or beyond a state boundary unless located in a multistate MSA	XI-10.31
§ __.42–Data collection, reporting, and disclosure	XI-10.32
§ __.42(a) Loan information required to be collected and maintained	XI-10.33
§ __.42(a)(2) Loan amount at origination	XI-10.35
§ __.42(a)(3) The loan location	XI-10.35
§ __.42(a)(4) Indicator of gross annual revenue	XI-10.35
§ __.42(b) Loan information required to be reported	XI-10.36
§ __.42(b)(2) Community development loan data	XI-10.36

XI. Community Reinvestment Act – Table of Contents

§ __.42(b)(3) Home mortgage loans	XI-10.37
§ __.42(c) Optional data collection and maintenance	XI-10.37
§ __.42(c)(1)(iv) Income of borrower	XI-10.37
§ __.42(c)(2) Other loan data	XI-10.38
§ __.42(d) Data on affiliate lending	XI-10.38
§ __.43–Content and availability of public file	XI-10.38
§ __.43(a)(2) CRA performance evaluation	XI-10.39
§ __.43(b) Additional information available to the public	XI-10.39
§ __.43(c) Location of public information	XI-10.39
§ __.44–Public notice by institutions	XI-10.39
§ __.45–Publication of planned examination schedule	XI-10.39
APPENDIX A to Part __ – Ratings	XI-10.40
APPENDIX B to Part __ – CRA Notice	XI-10.40
Revised and New Q&As Being Proposed for Comment	XI-10.40
Proposed Revised Q&As: Primary purpose of community development	XI-10.40
Index	XI-10.42
References	XI-11.1
CRA Interpretive Letters	XI-11.1
CRA-Related Memoranda	XI-11.1
Job Aids	XI-11.1